

## **EXHIBIT N**

1  
2 UNITED STATES DISTRICT COURT  
3 SOUTHERN DISTRICT OF NEW YORK  
4 -----)

5 STEVEN S. NOVICK, )

6 Plaintiff, )

Case No.

7 ) 07 Civ. 7767

8 vs. )

(AKH) (KNF)

9 AXA NETWORK, LLC, and, )

10 AXA ADVISORS, LLC, )

11 Defendants. )

12 -----)

13 DEPOSITION OF STEVEN NOVICK

14 New York, New York

15 Tuesday, March 29, 2011  
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24 Reported by:

JOMANNA DeROSA, CSR

25 JOB NO. 37585

1                   NOVICK

2           correct that there's no --

3                   MR. FINKELSTEIN: We can discuss  
4           anything that we'd like if there's no question  
5           pending. So the fact that I pointed at the  
6           document has no relevance to anything unless  
7           you have a question pending, at which point in  
8           time I have no right to speak to my client.

9           A.     Okay.

10           Q.    Can you identify this exhibit for  
11   me.

12           A.    It's an e-mail from originally  
13   Chris Van Dyke to Michael Zimmerman. Michael  
14   Zimmerman was asked by Chris Van Dyke if he knew  
15   anybody that may be interested in meeting with  
16   him. And then it was forwarded to me on  
17   September 27th.

18           Q.    Is that it?

19           A.    Yes.

20           Q.    Didn't you also respond to this  
21   e-mail on September 27th?

22           A.    Yeah.

23           Q.    Okay. That's why I was asking if  
24   it was it, because you were describing that it was  
25   Van Dyke to Zimmerman, Zimmerman to you.

1 NOVICK

2 A. Forwarded to me. Okay.

3 Q. And then you responding to the  
4 e-mail that Zimmerman sent you. Am I correct?

5 A. Yes.

6 Q. Okay. Who is Chris Van Dyke?

7 A. Dick Van Dyke's son, former  
8 employee of Nike, creator of the water shoe or  
9 whatever they called it, and I believe CEO and  
10 president of NAU.

11 Q. Okay. Was he affiliated in any  
12 capacity with Prentice Capital Management?

13 A. To the best of my knowledge, no.

14 Q. So Exhibit A reflects, Mr. Novick,  
15 that you responded to Mr. Zimmerman initially at  
16 8:42 a.m.

17 Mr. Zimmerman then advised you that  
18 he could fax you certain attachments, if you'd  
19 like.

20 And then you responded, also on  
21 September 27, that you'd appreciate any info that  
22 Mr. Zimmerman could send?

23 MR. FINKELSTEIN: Just note my  
24 objection to form. It's a compound question.

25 Q. If you don't understand the

1 NOVICK

2 FYI."

3 A. Okay.

4 Q. The language that I just read to  
5 you from the subject line was your language from  
6 an earlier e-mail to Michael Finkelstein. Am I  
7 correct?

8 A. Is this language from a previous  
9 e-mail? I don't know.

10 Q. The reference, though, to "my NAU  
11 idea," is that Michael Finkelstein's word choice  
12 or Steven Novick's word choice or somebody else's  
13 word choice; if you know?

14 A. I don't know. I would assume it's  
15 part of an e-mail. I have no clue.

16 (Defendants' Exhibit CC marked for  
17 identification.)

18 MR. KALISH: You've been handed  
19 what's been marked Exhibit CC.

20 Q. If you could take a look at that,  
21 and look up at me when you're done.

22 (Discussion off the record.)

23 Q. What is Defendants' Exhibit CC?

24 A. Are you asking me? It's a  
25 cease-and-desist.

1 NOVICK

2 Q. Okay. How did you receive this?

3 A. It says "Hand Delivered."

4 Q. Yes, I know what it says.

5 I'm asking what your recollections  
6 are as to how you received it?

7 A. It was hand-delivered.

8 Q. By whom?

9 A. I believe Georgette Geller.

10 Q. Where were you when it was  
11 hand-delivered to you by Georgette Geller?

12 A. In my office.

13 Q. Was anybody else in your office  
14 with you?

15 A. Yes.

16 Q. Who?

17 A. Joe Pirrone.

18 Q. Was anybody with Georgette Geller  
19 when she hand-delivered it to you?

20 A. Not to my recollection.

21 Q. What, if anything, did she say to  
22 you when she hand-delivered it to you?

23 A. She handed it to me. She said that  
24 she would like for me to write a letter and give  
25 her a copy of the letter, outlining what

1 NOVICK

2 transpired with this.

3 Q. Did she say when she wanted you to  
4 do that?

5 A. The sooner the better.

6 Q. And did you do that?

7 A. Yes, I did.

8 Q. Anything else that she said to you  
9 when she hand-delivered this letter to you?

10 A. At this point? No, I don't recall.  
11 I don't recall.

12 Q. Do you recall what, if anything,  
13 you said to her?

14 A. At that time?

15 Q. Yes.

16 A. No, I don't recall.

17 Q. What, if anything, did you do as  
18 a -- withdrawn.

19 If you'd turn to the second page of  
20 Exhibit CC.

21 Your signature and date are at the  
22 bottom there?

23 A. Yes.

24 Q. Did you read this, sign this,  
25 return it to Georgette Geller in that one meeting,

1 NOVICK

2 or did you hold on to this and then return it to  
3 her later with your signature on it; if you  
4 recall?

5 A. I believe I read it and signed it  
6 right there.

7 Q. Did you make a copy of it right  
8 then and there?

9 A. I think she made a copy for me.

10 Q. What, if anything, did you do as a  
11 result of your receipt of this Exhibit CC?

12 A. Started on a letter that I was  
13 asked to write.

14 Q. Anything else?

15 A. Maybe was infuriated and called  
16 Ned. I don't know. Most certainly I contacted a  
17 broker-dealer and pressed for an approval on the  
18 pending NAU so we could get a CUSIP for it. But  
19 that's basically it.

20 Q. When you say "an approval on the  
21 pending NAU," could you explain to me what it is  
22 that you're referring to.

23 A. To my knowledge, okay, I went about  
24 the sending of an e-mail incorrectly regarding  
25 NAU.



1 NOVICK

2 When Georgette came in, I believe  
3 Georgette explained to me that irrespective of  
4 what my intent was, that I needed to write a  
5 letter explaining how we went from A to Z where we  
6 were.

7 In that, I also learned that there  
8 was a "process" in which I should have followed,  
9 which evidently I have not.

10 To make certain that I followed the  
11 process to the T, I reacted by immediately sending  
12 whatever was required to other people other than  
13 Ned Dane to get the approval because Ned was not  
14 responding to me. Okay.

15 That's basically it.

16 (Defendants' Exhibit DD marked for  
17 identification.)

18 MR. KALISH: You've been handed DD.

19 Q. I believe the only thing that's new  
20 is the top few lines.

21 A. Okay.

22 Q. Is this what you were referring to  
23 about seeking approval?

24 A. The answer is I don't recall. But  
25 most certainly, Rocco was the head of the trading

1 NOVICK

2 A. I don't recall he did, no.

3 Q. The person whose name you're not  
4 recalling that Patricia Boylan introduced during  
5 the call, did that person say anything?

6 A. I don't recall.

7 Q. Did you take notes during that  
8 call?

9 A. No.

10 Q. Did you tape-record that call?

11 A. I might have.

12 Q. But you're not sure one way or the  
13 other?

14 A. Look, in my compliance file Chris  
15 Aguelle (phonetic) had noted that Steven Novick  
16 tapes his calls. I had tape-recordings of a lot  
17 of conversations. I have not had any transcribed.  
18 I don't even possess the majority of them. They  
19 were lost with Dreier. What they contained, I  
20 don't know.

21 The things that I may have in my  
22 drawers, I have never had transcribed, so I don't  
23 know.

24 Q. Okay. There was a followup  
25 downtown the next day?

## **EXHIBIT O**

2-6-12 - novick - novick 2/6/2012 12:00:00 PM

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UNITED STATES DISTRICT COURT

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SOUTHERN DISTRICT OF NEW YORK

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STEVEN S. NOVICK, )

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AXA NETWORK, LLC, and, )

AXA ADVISORS, LLC, )

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Defendants. )

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CONTINUED DEPOSITION OF STEVEN NOVICK

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New York, New York

14

Monday, February 6, 2012

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Reported by:

JOMANNA DeROSA, CSR

25

JOB NO. 45839

1 S. NOVICK

2 Passaretti did or didn't do, that I  
3 understand, but to direct him to answer the  
4 question only as it pertains to Passaretti, I  
5 just don't think is fair.

6 MR. KALISH: I mean, I'll try  
7 again. That was exactly what my attempt was,  
8 but it probably wasn't phrased as well as it  
9 could have been.

10 A. When I confronted Larry Passaretti  
11 and the broker-dealer about compensation issues as  
12 recently as February 2003, my discovery was that  
13 Ronnie Lorch, my father-in-law, was removed from  
14 many of his relationships.

15 The purpose of me going to AXA in  
16 the first place was to create a succession plan  
17 for my father-in-law, whereby I was going to  
18 handle all of his asset business.

19 When I demanded the asset business,  
20 A, Larry Passaretti said it was not possible. Why  
21 wasn't it possible, I asked. It wasn't possible  
22 because many of his clients had illiquid  
23 investments in a limited partnership, which he had  
24 sold them.

25 Well, I said that's your problem.

1 S. NOVICK

2 He said, well, it's really not. It's Ronnie's  
3 problem as well. Ronnie was compensated for the  
4 sale of these limited partnerships as well.

5 The broker-dealer was notified.

6 There was many, many correspondences between Barry  
7 Salzsour (phonetic) and the broker-dealer relating  
8 to this issue as well.

9 And as recent as 2006, I believe,  
10 January/February of 2006, when the issue arose  
11 where Larry, again, was repapering clients of mine  
12 and stealing compensation and commissions of mine,  
13 I believe there are e-mails to the effect that I  
14 threatened him that, again, I would go to  
15 management regarding his selling away issues, and  
16 he reminded me that Ronnie was involved, and I  
17 would be hurting my family as well.

18 Q. Did Passaretti share with you how  
19 much compensation he had received in connection?

20 A. No.

21 Q. Tell me what it is that you are  
22 referring to by his "repapering" your clients.

23 A. It has always been my assertion  
24 that Larry Passaretti, claiming to do joint work,  
25 if you will, with people, would establish a

1 S. NOVICK

2 relationship where he was the financial advisor,  
3 and whoever the other individual was, was the  
4 participating advisor. And Larry would resend  
5 paperwork, updating his files, and consistently  
6 removing the primary broker off of the account so  
7 he can benefit economically.

8 Q. And you brought that to the  
9 attention of AXA?

10 A. I absolutely did.

11 Q. And AXA resolved that. Am I  
12 correct?

13 A. They did not.

14 Q. Tell about your bringing that to  
15 the attention of AXA, who you had discussions  
16 with, what they said, as best you can recall.

17 MR. FINKLESTEIN: Note my objection  
18 to form.

19 A. In 2003, when I brought it to the  
20 broker-dealer's attention, okay, and the  
21 broker-dealer being -- at the time I believe it  
22 was Tom Wirtshafter -- the compensation person  
23 contacted him would change, that was Barry  
24 Salzsour. I believe Mike Higgins, Mike Ryniker,  
25 and I'm going to say others because I can't

2-6-12 - novick - novick 2/6/2012 12:00:00 PM

1 S. NOVICK

2 recall, were involved in looking at forensically  
3 what Ronnie Lorch was owed, based off the fact  
4 that Larry had removed Ronnie from over 20 some  
5 odd million dollars of asset business for many  
6 years.

7 Q. How did this come to their  
8 attention that Passaretti had removed Lorch from  
9 \$20 million worth of asset business?

10 A. I brought it to their attention.

11 Q. How do you know that Passaretti had  
12 removed Lorch from \$20 million worth of asset  
13 business?

14 A. Because I was supposed to take over  
15 Larry's portion of that book. When I asked to do  
16 it, I was met with much resistance. I believe I  
17 explained that to you. With that, Barry Salzsour  
18 was asked to create, forensically, what the  
19 accounts had paid and how much would be owed, and  
20 it was never paid, and it was never rectified.

21 Q. What you're describing right now,  
22 Mr. Novick, is money that Passaretti owes to  
23 Lorch. Am I correct?

24 A. No. It's what money was owed to  
25 Lorch initially and to Steven Novick thereafter.



1 S. NOVICK

2 Q. Whereabouts?

3 A. I believe in your records.

4 Q. Could you describe which records?

5 A. I believe there is correspondence

6 from Barry Salzsour, talking about this. I

7 believe that Barry Salzsour actually responded

8 when I caught Passaretti again doing it, that it

9 was supposed to be retroactively, and also it

10 occurred in 2004 and in 2006.

11 Q. What's the "it" that you're

12 referring to having occurred?

13 A. Misappropriation of funds,

14 stealing, I don't know. What would you call it?

15 Q. Okay. Was there some point in time

16 where AXA agreed to provide compensation to you

17 and look into pulling it back from Passaretti?

18 A. In 2006 they were responding to a

19 matter from the previous year, and I believe that

20 included \$53,000 of income that Larry stole from

21 me, but the additional 120,000 or thereabouts

22 which was stolen from Ronnie Lorch and me has

23 never been paid, nor did they ever compensate me

24 for that, no.

25 Q. Okay. But the 53,000 they did

1 S. NOVICK

2 compensate you for?

3 A. The 53,000 they compensated me in

4 May of 2006 or thereabouts.

5 Q. Did you ever have a direct

6 conversation with Passaretti about the \$120,000

7 that you just referred to?

8 A. Absolutely.

9 Q. Tell me what you said to him and

10 what he said to you.

11 A. He was not pleased. He told me --

12 he told me to take it up with the broker-dealer

13 and they would rectify it. The broker-dealer

14 never rectified it.

15 Q. Okay. Did Ronnie Lorch ever share

16 with you whether he took it up directly with

17 Passaretti the fact that \$120,000 had been stolen?

18 A. Ronnie Lorch and I, and Barry

19 Salzsour, had been on the phone with, I believe,

20 Ron Benevento from Larry's office, as well as Gus

21 Catanzaro, as well as Larry Passaretti, regarding

22 that issue.

23 Q. Okay. And what was said among all

24 the participants in the call on that occasion?

25 A. They were sincerely apologetic, and

1 S. NOVICK

2 (The requested portion of the  
3 record was read.)

4 A. From Day 1 my assertion is Larry  
5 Passaretti is AXA, Larry Passaretti works at AXA,  
6 Larry Passaretti is management at AXA. When I  
7 wrote my business plan to join AXA, it was joining  
8 Larry Passaretti and his -- whatever special group  
9 it was.

10 My beef is not with Larry  
11 Passaretti. My beef is with the policing  
12 capabilities and the knowledge that AXA possessed,  
13 and their desire not to police Larry Passaretti  
14 for all his misgivings, if you will.

15 Q. Did any management official at AXA  
16 ever share with you, in words or substance, that  
17 if you have a gripe with Larry Passaretti, resolve  
18 it between you and Larry Passaretti, we don't get  
19 involved with financial advisors' gripes that they  
20 have with one another?

21 A. I received a one-sentence e-mail  
22 from Bob Jones, saying we don't comment on  
23 commission split issues.

24 Q. How did you calculate the \$120,000  
25 that you've referred to as having been taken by

1 S. NOVICK

2 owed.

3 Q. So, is the \$120,000 that you claim  
4 to be owed the \$120,000 that Ronnie was owed?

5 A. You defined earlier that a portion  
6 is mine and a portion is his.

7 Q. What portion is his and what  
8 portion is yours?

9 A. I don't have an answer.

10 Q. Other than a portion of the  
11 \$120,000 that you've just described what it is  
12 that that \$120,000 relates to, is there any other  
13 money that you're claiming in this lawsuit that  
14 AXA owes you?

15 A. Without calling you ridiculous, you  
16 know the response. Yes, I am suing for a lot more  
17 money than \$100,000 because, yes, I believe that  
18 the firm has not provided an accounting, as the  
19 Judge, I believe, said of everything that goes  
20 into creating commissions, gross dealer  
21 concessions, which I believe Margery Hall and  
22 William Mills had already described.

23 I believe there is a significant  
24 amount of money that's owed me, as well as the  
25 money that people had stolen my book of business

## **EXHIBIT P**

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UNITED STATES DISTRICT COURT

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SOUTHERN DISTRICT OF NEW YORK

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STEVEN NOVICK )

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Plaintiff, )

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vs. ) 07 Civ. 7767 (AKH)(KNF)

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AXA NETWORK LLC, and )

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AXA ADVISORS LLC, )

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Defendants. )

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CONTINUED DEPOSITION OF STEVEN NOVICK

16

New York, New York

17

Friday, April 13, 2012

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23 Reported by:

24

ASHLEY SHUGAR

25

JOB NO. 48075

1 S. NOVICK

2 Jones do during these couple of minutes that you  
3 chatted with him?

4 A. Absolutely nothing.

5 Q. Any words emanate from his mouth?

6 A. Nothing that was meaningful enough  
7 for me to remember, no. When he dismissed me,  
8 which you reiterated numerous times, which were  
9 memorialized in e-mails that we talked about, he  
10 dismissed me and yes, he did say that I've known  
11 Larry Passaretti significantly longer than I've  
12 known you and therefore, he's incapable of doing  
13 what you're accusing him of. And with that, I  
14 was discarded and dismissed from his office  
15 without a handshake, yes. I drove 42 miles to go  
16 to that meeting which lasted six minutes.

17 Q. Did he take notes at that meeting?

18 A. He took my -- whatever I had with me,  
19 he contemplated it for about a nanosecond. He  
20 didn't look at my folders. He didn't look at  
21 anything. Just took me for what I was and left.  
22 And that was it. And yeah, I haven't seen any  
23 e-mails to the effect, but I know that Larry  
24 Passaretti called me personally. So therefore,  
25 management must have alerted him to the fact that